NOTICE OF MEETING

HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3

TO: THE BOARD OF DIRECTORS OF HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3, AND TO ALL OTHER INTERESTED PERSONS:

Notice is hereby given that the Board of Directors of Harris County Improvement District No. 3 will hold a **REGULAR MEETING** on **JUNE 20, 2017,** at **9:00 A.M.,** at 3120 Southwest Freeway, Houston, Texas 77098, within the boundaries of the District, open to the public, to consider and act upon the following matters:

1. **Approve minutes of May 16, 2017, meeting;**
2. **Receive comments or questions from the public;**
3. **Receive security and patrol services report;**
4. **Receive report on federal/state/local funding development and management** [Goodman Corporation];
5. **Receive property tax advisor report:**
   a) Receive general report;
   b) Authorize other appropriate action;
6. **Project design, acquisition, and construction:**
   a) **Westheimer Road Streetscape/Landscape Improvements** [UKRA Westheimer Improvements -- UK-112A]:
      i) Update on Phase I [Kirby to Shepherd] [TBG Partners];
      ii) Update on Phase II [Kirby to Buffalo Speedway] [Kudela & Weinheimer];
   b) **Bissonnet Street Streetscape/Landscape Improvements** [UKRA Bissonnet Improvements -- UK-122] [Clark Condon Associates]:
      i) Update on construction [UKRA];
   c) **Eastside Street Improvements** [TxDOT; UKRA -- UK-124]:
      i) Update on design services [UKRA-RPS Klotz] [OJB];
   d) **Shepherd Drive Streetscape/Landscape Improvements** [UK-114]:
      i) Update on design services [Kudela & Weinheimer];
   e) Authorize appropriate action;
7. **Facilities and grounds maintenance:**
   a) Receive general report;
   b) Authorize appropriate action;
8. **Financial and administrative matters:**
   a) Receive bookkeeping report, and authorize payment of invoices;
   b) Authorize appropriate action;
9. **Consider adjournment.**

Jamie L Berman

Executive Director for the District

(SEAL)

Pjk/hcid3/meeting 06-20-17

MINUTES OF REGULAR MEETING
OF
HARRIS COUNTY IMPROVEMENT DISTRICT NO. 3

MAY 16, 2017

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

The Board of Directors (the "Board") of Harris County Improvement District No. 3 (the "District") met in regular session, open to the public, on the 16th day of May, 2017, at the regular meeting place, inside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Robert Axelson	President
Albert P. Keller	Vice President
Robert H. Schultz	Secretary/Treasurer
Lias J. ("Jeff") Steen	Director
Patricia Ann Chesnick	Director

and all of the said persons were present, thus constituting a quorum.

Also attending all or portions of the meeting were Marvin Warren; Jamie Brewster, Travis Younkin, Sharon Haynie, and Julia Gee of the District; and P. John Kuhl, Jr., and Susan Demiany of Sanford Kuhl Hagan Kugle Parker Kahn LLP ("SKLaw").

APPROVE MINUTES

The Board first considered approving the minutes of the April 18, 2017, meeting. Upon motion by Director Chesnick, seconded by Director Keller, and after full discussion, the Board voted unanimously to approve the minutes.

RECEIVE COMMENTS OR QUESTIONS FROM THE PUBLIC

The next item on the agenda was to receive comments or questions from the public. There were no comments or questions from the public.

RECEIVE SECURITY AND PATROL SERVICES REPORT

The next item on the agenda was to receive the security and patrol services report. The Board reviewed the monthly activity report for April, and reviewed specific incidents in the District.

RECEIVE REPORT ON FEDERAL/STATE/LOCAL FUNDING DEVELOPMENT AND MANAGEMENT

In the absence of Mr. Webb, Mr. Younkin updated the Board on grant funding development and management from The Goodman Corporation ("TGC"). He reviewed grant status with respect to the Eastside, Westheimer West, and Bissonnet projects. In connection with the Eastside project, he advised TGC has provided the requested information to H-GAC regarding the District's request for additional funding for cost over-runs, and is awaiting a final determination. Regarding Westheimer West and Bissonnet projects, Mr. Younkin advised that the FTA grants have been executed, and funds will be drawn down as construction costs are incurred. Mr. Younkin also updated the Board on additional lighting facilities and related smart city options and possible grant funding.

DRAFT

RECEIVE PROPERTY TAX ADVISOR REPORT

The Board then received the Property Tax Advisor Report.

Receive general report

Mr. Warren updated the Board on 2016 appraised value modifications because of protests, and discussed projected tax rebates.

Mr. Warren then discussed projected 2017 values. He forecasted an increase County-wide of approximately 2.6%, and approximately 2.9% in the District.

Mr. Kuhl discussed the impact of Senate Bill No. 2, and the proposed property tax reforms contained therein. He advised that the Bill sets out more rigorous truth-in-taxation requirements and proposes a 5% automatic rollback rate.

PROJECT REPORTS

Mr. Younkin first reviewed the current "look ahead" chart outlining anticipated design and construction schedules for current and planned projects over the next 12 months.

Update on Westheimer Improvements, Phase I

The Board received an update on the Westheimer streetscape/landscape improvements between Kirby and Shepherd. Mr. Younkin advised that utility facilities have finally been removed from all poles, and CenterPoint will now schedule pole removal. He further advised it will take the contractor approximately two weeks to wrap up the project after the poles are removed.

Update on Westheimer Improvements, Phase II

The Board then received an update on the Westheimer streetscape/landscape improvements between Kirby and Buffalo Speedway. Mr. Younkin advised that the contractor now has two crews working the north side of the street from two ends, with one crew starting at Kirby drive and working west towards River Oaks, and another crew at Buffalo Speedway working east. He also advised that CenterPoint has indicated that the new timeframe for removal of utilities from poles is the end of May.

Bissonnet Improvements

Mr. Younkin updated the Board on streetscape/landscape improvements to Bissonnet. He advised that the UKRA is rebidding the remaining work, and construction is expected to begin in early July. He also updated the Board on ongoing issues and timing for the transfer of utilities to the underground ducts.

Eastside Improvements

Mr. Younkin then reviewed progress on the Eastside Street project design work, and ongoing coordination with TxDOT, UKRA, and the City. He advised project design is complete, and the process of review and approval by the City and TxDOT is ongoing.

Shepherd Drive Improvements

Mr. Younkin then updated the Board on the Shepherd Drive project design work, including survey, geotechnical, and the landscaping conceptual layout. He discussed UKRA action with respect to both the utility and roadway design packages. He advised the utility design is complete and plans routed to the City for signature. He noted it is still anticipated that underground duct construction can begin in late summer.

DRAFT

FACILITIES AND GROUNDS MAINTENANCE REPORT

Receive General Report

Mr. Younkin next updated the Board on facilities and grounds maintenance matters, and reviewed with the Board work order reports and summaries for April. He advised the majority of maintenance work consisted of streetscape maintenance.

Approve contract for Kirby Drive corridor lighting program

The board then considered approval of a contract for the Kirby Drive holiday lighting program. Mr. Younkin reviewed a contract with Always in Season Decorating Services, Inc., for corridor LED lighting on Kirby Drive from US 59 to Westheimer. He advised the program and contract were reviewed and tentatively approved by a committee appointed at the last meeting to review available options. Director Chesnick and Mr. Younkin discussed implementation issues and maintenance requirements for the lighting facilities and the trees that will accommodate the facilities.

Upon motion by Chairman Axelson, seconded by Director Keller, and after full discussion, the Board voted unanimously to ratify approval of the contract with Always in Season Decorating Services, Inc., for the Kirby Drive corridor lighting program.

Levy Park

Ms. Brewster gave an update on the opening and operation of Levy Park. She advised that the Park has been extremely well received with over 10,000 visitors per week. President Axelson inquired as to availability in the Park for a farmers market. Ms. Brewster discussed various outreach actions with potential providers, noting that no farmers market program has been established to date.

FINANCIAL MATTERS

Receive Bookkeeping Report

The Board next received the Bookkeeping Report. Ms. Gee submitted to and reviewed with the Board the bookkeeping report for the two-month period ending April 30, 2017. Upon motion by Director Schultz, seconded by Director Keller, and after full discussion, the Board voted unanimously to approve the Bookkeeping Report, and to approve the payment of invoices as presented.

CONSIDER ADJOURNMENT

The next item on the agenda was to consider adjournment. There being no further business to come before the Board, the meeting was adjourned.

[SIGNATURE PAGE FOLLOWS]

DRAFT

_____

Secretary/Treasurer, Board of Directors

(SEAL)

DRAFT